

BUPERSINST 1750.11
16 October 1996

BUPERS INSTRUCTION 1750.11

From: Bureau of Naval Personnel
To: All Ships and Stations (less Marine Corps field
addressees not having Navy personnel attached)

Subj: SURVIVOR BENEFIT PLAN (SBP)

Ref: (a) DOD Directive 1332.27 of 4 Jan 74, Survivor Benefit
Plan (NOTAL)
(b) NAVPERS 15630B, Survivor Benefit Plan Counselor's
Guide
(c) (DOD7000.14-R) DOD Financial Management Regulation
Vol. 7B of Jun 95 (NOTAL)
(d) SECNAVINST 1740.2D of 27 Apr 87

Encl: (1) DD Form 2656 (Rev. Oct 95), Data for
Payment of Retired Personnel
(2) Examples of Monthly Payments and Costs for
Spouse/Former Spouse (only) Coverage
(3) Abbreviated Cost Table for Spouse (or
Former Spouse) and Children Coverage
(4) Abbreviated Cost Table for Children (only) Coverage

1. Purpose. To explain provisions of the Survivor Benefit Plan (SBP) to all Navy personnel as outlined in reference (a), and set forth procedures and conditions incident to election or non-election of annuities provided under SBP. To delegate responsibility and delineate specific procedures for informing eligible personnel, both active and inactive, of provisions of the plan. To explain provisions of the Retired Serviceman's Family Protection Plan (RSFPP) that remain in effect for personnel who retired before 21 September 1972 (see subparagraph 6b), and clarify standards of conduct outlined in reference (d).

2. Cancellation. NAVMILPERSCOMINST 1750.2

3. Background

a. General. The SBP, enacted by Public Law 92-425 on 21 September 1972 and codified into U.S.C., Title 10, sections 1447-1455, as amended, provides all members of the uniformed services who are entitled to retired pay with the opportunity, in the event of their deaths, to provide up to 55 percent of their gross retired pay as an annuity payable to their designated beneficiaries. In addition, the law provides for a minimum income guarantee for widows and widowers of retired members who retired before September 1972, provided such members died before

20 March 1974 without electing coverage under SBP. Public Laws 97-252, 98-94, and 99-145 provide for a former spouse to be selected as an SBP beneficiary.

b. Retired Pay to which SBP applies. SBP applies to any retired or retainer pay awarded a member as a result of military service, including those members transferred to the Temporary Disability Retired List (TDRL), or the Permanent Disability Retired List (PDRL), and members or former members of the Naval Reserve entitled to retired pay in accordance with 10 U.S.C. 1331-1337.

c. Relationship between RSFPP and SBP. Public Law 92-425, which enacted SBP, canceled RSFPP coverage for any member of the uniformed services who qualified for retired pay on or after 21 September 1972. Any member of the uniformed services who was entitled to retired pay prior to 21 September 1972 and who elected coverage under RSFPP is entitled to retain that coverage, and the provisions of U.S.C., Title 10, sections 1441-1446 apply. Such a member may choose one of the options provided in subparagraph 6b, subject to the requirements and restrictions listed therein.

4. Definitions and Abbreviations

a. The term "SBP," as hereinafter used, means the Survivor Benefit Plan, and the term "RSFPP," as hereinafter used, means the Retired Serviceman's Family Protection Plan.

b. The term "DFAS-CL" means the Director, Defense Finance and Accounting Service, Directorate for Retired Pay (Code RO), P.O. Box 99191, Cleveland, OH 44199-1126. The term "NAVRESPERSCEN" means the Commanding Officer, Naval Reserve Personnel Center, (Code 4), New Orleans, LA 70149-7800. The term "DFAS-DE" means Defense Finance and Accounting Service Denver, DE/DR, 6760 East Irvington Place, Denver, CO 82979-6000.

c. The term "retired pay" includes retainer pay (pay received by enlisted retirees who have not completed a total of 30 years active service or inactive service).

d. The term "retirement" means retirement with eligibility to receive retired pay, including transfer to the Fleet Reserve.

e. The term "date of retirement" means the date of initial entitlement to retired or retainer pay.

f. The term "member" means a commissioned officer, commissioned warrant officer, warrant officer, or a person in an enlisted grade (including an aviation cadet) of the Regular Navy or Naval Reserve, who is entitled to, or in receipt of Navy retired pay.

g. The term "SBP premium" means the amount by which a member's retired pay is reduced to pay the cost of participation in SBP.

h. The term "natural person with an insurable interest" means any person who has a reasonable and lawful expectation of a monetary benefit from the continued life of the participating member, or any individual having a reasonable and lawful basis, founded upon the relationship of the parties to each other, either monetary or of blood or kinship, to expect some benefit or advantage from the continuance of the life of the retired member. Some examples are nondependent parent or child, dependent child in some cases (as specified in subparagraph 5c), other relatives of long standing, close association, or a non-relative business associate, employee, etc. An insurable interest will be presumed to exist between the service member and parents, stepparents, grandparents, grandchildren, aunts, uncles, sisters, brothers, half sisters, half brothers, dependent or nondependent children or stepchildren, or any other persons more nearly related than cousins. If the designation is other than one of the above, proof of financial benefit from the continuance of the retiree's life will be required.

i. The term "base amount" means:

(1) The amount of monthly retired pay to which a retiree is entitled when the retiree becomes eligible for the award of that pay, or entitled to on date of election of SBP;

(2) The amount of monthly retired pay to which the retiree later becomes entitled by being advanced on the retired list, performing active duty, or being transferred from the TDRL to the PDRL; or

(3) Any lesser amount the retiree may designate before the first day for which he or she becomes eligible for retired pay or elects to participate in the plan, but not less than \$300 unless the full gross retired pay is less than \$300, in which case the retiree must designate his or her full retired pay.

NOTE: The base amount is adjusted consistent with the cost-of-living increases in retired pay. If upon advancement or change from TDRL to PDRL, gross retired pay is reduced to less than the current base amount, the member's new base amount is the new full gross retired pay entitlement. A member may not designate different base amounts between the spouse and the children.

j. The term "widow" means the surviving wife of a deceased retiree who:

(1) Was married to him on the date he became eligible for retired pay and was married to him when he died; or

(2) Married the retiree after he retired, and was married to him at least 1 year immediately before his death, and was married to him when he died; or

(3) Married the retiree after he was retired, was married to him when he died, but was married to him for less than 1 year immediately before his death, provided she is the mother of a living issue by that marriage.

k. The term "widower" means the surviving husband of a deceased retiree who:

(1) Was married to her on the date she became eligible for retired pay and was married to her when she died; or

(2) Married the retiree after she was retired, was married to her at least 1 year immediately before her death, and was married to her when she died; or

(3) Married the retiree after she was retired, was married to her when she died, but was married to her for less than 1 year immediately before her death, provided he is the father of a living issue by that marriage.

l. The term "dependent child" means any unmarried child who is:

(1) Under 18 years of age, or at least 18 but under 22 if pursuing a full-time course of study or training in a high school, trade school, technical or vocational institute, junior college, university, or comparable recognized educational institution: or

(2) Incapable of self-support because of a mental or physical incapacity which existed before their 18th birthday or after the 18th birthday if the incapacity was incurred before age 22 during pursuance of a full-time course of study or training.

(3) An adopted child, stepchild, foster child, or recognized natural child who lived with the retiree in a regular parent-child relationship. In addition, to qualify as a dependent child, a foster child must reside with the retiree at the time of death, receive over one-half of their support from the retiree, and not be cared for under a social agency contract.

NOTE: For the purpose of this definition, a child whose 22nd birthday occurs before 1 July of a calendar year while pursuing a full-time course of study or training is considered to become 22 years of age on the first day of July of that same calendar year. A child whose 22nd birthday occurs after 31 August of a calendar year while pursuing a full-time course of study or training is considered to become 22 years of age on the first day of July of the next calendar year. Students will continue to be considered as such during the interim between school years but not for periods longer than 150 days. Students must provide bona fide evidence of intent to continue study or training in the same or different school during the school semester or other period into which the school year is divided.

NOTE: In the case of an incapacitated child, such incapacity must be substantiated by a current (within 1 year) physician statement before eligibility is extended beyond the 18th or 22nd birthday. The statement should contain information regarding the nature and extent of the disability upon which the conclusion that the child was incapacitated was based. The statement should also include information as to whether, in medical opinion, the child's condition is such that the child is rendered incapable of self-support, i.e., incapable of sustaining an earning capacity sufficient to meet their personal financial needs. An incapacitated child's continued eligibility will be revalidated every 2 years, unless prognosis indicates recovery is impossible and that the disability is such that the child will never be capable of sustaining an earning capacity to meet personal financial needs.

m. The term "postmark/receipt date of election" means the date of receipt by DFAS-CL, or in those cases where the execution of that member's election intent might be detrimental, the date of postmark of their election. The SBP coverage becomes effective on

the date of receipt of the election for members retired prior to 21 September 1972 and on date of retirement for members retired on or after 21 September 1972. SBP coverage becomes effective on the date of receipt of an election of a person who is not married and is without a dependent child upon becoming eligible to participate in the Plan.

n. The term "DIC" means Dependency and Indemnity Compensation. DIC is a compensation program administered by the Department of Veterans Affairs (VA) and is authorized for widows, widowers, unmarried children under 18 (as well as certain helpless children and those between 18 and 23 if attending a VA-approved school), and certain parents of service personnel or veterans who died on or after 1 January 1957 from:

(1) a disease or injury incurred or aggravated in line of duty while on active duty or active duty for training; or

(2) an injury incurred or aggravated in line of duty while on inactive duty for training; or

(3) a disability otherwise compensable under laws administered by VA.

o. The term "MIW" refers to minimum income widow payments, a type of annuity payable under SBP. (Refer to subparagraph 5e(4).)

p. The term "former spouse" means the surviving former husband or wife of a member who is eligible to participate in the plan.

q. The term "court order" means a court's final decree of divorce, dissolution, or annulment, or a court-ordered, ratified, or approved property settlement incident to such a decree (including a final decree modifying the terms of a previously issued decree of divorce, dissolution, or annulment, or of a court ordered, ratified, or approved property settlement agreement incident to such previously issued decree).

5. Coverage Available. Under SBP, every member retired on or after 21 September 1972 with a spouse and/or dependent child(ren) on the first day of entitlement to retired pay will automatically participate in the plan at the maximum level allowed under the law for their particular family situation. Members may elect less than the maximum coverage, or no coverage at all, if they so desire, provided the member obtains the written concurrence with such an election from their spouse prior to the member's date of

retirement. A member who is not married or has no dependent child(ren) at the time of retirement, but who later marries or acquires a dependent child, may elect to participate in SBP, provided a written request is received by DFAS-CL within 1 year after the date of marriage or acquisition of the dependent child. If there is no eligible spouse or child(ren), a member may elect to provide survivor protection to a person with an insurable interest in the member provided that such election is received in the DFAS-CL before the first day of entitlement to retired pay. In accordance with statutory requirements, a member may, either voluntarily or in compliance with a court order, designate a former spouse as a beneficiary under the plan when the member becomes eligible to participate in SBP.

NOTE: A member who retired before 21 September 1972 who did not have an eligible spouse or child on 21 September 1973 may elect coverage within 1 year after the subsequent acquisition of a spouse or child. The presence of a category of beneficiary for whom coverage was not elected before 21 March 1974 causes the member to thereafter be ineligible to elect coverage for that category of beneficiary (57 Comp. Gen. 98 (1977)).

a. Automatic Coverage. Unless a retiree, with their spouse's written concurrence, elects not to participate in SBP, or elects to participate at less than the maximum level before the first day on which they become entitled to retired pay, each member with a spouse and/or dependent child(ren) on date of retirement will automatically participate in SBP as follows:

(1) A member with a spouse only will be covered for that spouse at the maximum level.

(2) A member with a spouse and child(ren) will be covered for the spouse and child(ren) at the maximum level.

(3) A member with child(ren) only will be covered for the child(ren) at the maximum level.

NOTE: Maximum level of participation means that coverage is based on the member's full gross retired pay.

b. Optional Coverage. Every member with a spouse and/or dependent child(ren) on date of retirement, who does not desire coverage under the automatic provision of SBP, may elect another type of coverage. (See reference (b)).

(1) Public Law 99-145, enacted 8 November 1985, requires

written spousal concurrence with any election which provides less than full coverage. Spousal concurrence with an election for less than full coverage is mandatory, except when the spouse's whereabouts cannot be determined or when, due to exceptional circumstances, seeking spousal consent would be inappropriate. Such exceptional circumstances will be evaluated on a case by case basis. Spousal concurrence is not required when a member elects former spouse coverage in compliance with a court order to provide such coverage.

(2) A member electing optional coverage must submit a properly completed election on DD 2656, DATA FOR PAYMENT OF RETIRED PERSONNEL (enclosure (1)) (A revised version dated October 1995 will be available at the Naval Inventory Control Point approximately January 1997. Until the revised form is available DD 2656 JUN 93 will be accepted.), within 45 days prior to the day on which the member becomes entitled to retired pay. The election certificate shall be submitted via the commanding officer of the separating activity and must be received at the DFAS-CL prior to the member's date of retirement.

(3) A member with a spouse only on the date of retirement may elect to participate at a reduced level or may elect not to participate at all.

(4) A member with a spouse and child(ren) on the date of retirement may elect to cover the spouse and child(ren) at a reduced level, may elect to cover the spouse only at the maximum level or at a reduced level, may elect to cover children only at the maximum level or at a reduced level, or may elect not to participate at all.

(5) A member with a spouse on the date of retirement may elect to cover a former spouse (and child(ren) of the marriage to the former spouse). If such an election is made voluntarily (i.e., in the absence of a court order), the member's spouse must provide written concurrence with the election. If the election is made to conform to a court order, spousal concurrence need not be obtained; rather, the spouse will be notified of the election by the member's commanding officer upon receipt of the election certificate.

c. Insurable Interest Coverage. A member who is unmarried and does not have a dependent child on the date of entitlement to retired pay may elect, prior to the first day of entitlement to retired pay, to provide an annuity for a natural person with an insurable interest in the member. For persons other than those

specified in subparagraph 4h, members electing insurable interest coverage shall provide proof of the person's financial interest in the continued life of the member.

(1) In his decision of 19 July 1974 (B-179465), the Comptroller General of the United States stipulated that a member who is unmarried at the time the member becomes entitled to retired pay may elect an "Insurable Interest" annuity for a child who also qualifies as a dependent child. Accordingly, such a member may elect an "Insurable Interest" annuity for a dependent child, provided their election is received by DFAS-CL prior to the member's date of retirement. (It should be noted that this type of coverage may be obtained only by unmarried members with only one dependent child and that such coverage must be at the higher "Insurable Interest" rate.)

(2) If a retiree with insurable interest coverage later acquires a spouse and/or dependent child(ren), the member may change their election to provide coverage for the spouse and/or child(ren), provided such election is received by DFAS-CL within 1 year of the date the spouse and/or child(ren) are acquired. When such change is made, the election on behalf of the insurable interest person is permanently and irrevocably voided. The change in coverage becomes effective on the first day of the month after the spouse and/or child(ren) attain eligibility.

d. Former Spouse Coverage. A member may elect, prior to the first day of entitlement to retired pay, to provide an annuity to a former spouse. Additionally, a former spouse election may be made after entitlement to retired pay in accordance with subparagraph 7d.

(1) A former spouse election must be accompanied by a written statement signed by the member and the former spouse indicating the former spouse as the SBP beneficiary. The written statement must set forth whether the election is being made voluntarily or in compliance with the terms of a written agreement that resulted from divorce, dissolution, or annulment proceedings, and whether the written agreement is part of a court order. The written statement must also state whether there is a present spouse who must be notified that they are not covered under the Plan.

(2) A former spouse election may be ordered by a court incident to a proceeding of divorce, dissolution, or annulment. Public Law 99-661, sec. 641, enacted 14 November 1986, provides for the enforcement of court orders which require a member to

provide SBP coverage to a former spouse.

(a) There is no requirement that a marriage must have lasted at least 10 years during a member's career for such a court order to be enforceable under federal law (as in the case of division of retired pay).

(b) The court order involved may be an amendment to an existing final decree of divorce, dissolution, or annulment whenever issued prior to the enactment of the Uniformed Services

Former Spouses' Protection Act (Title X, Public Law 97-252, 8 September 1982).

(c) A former spouse may have a court-ordered election "deemed" by the Secretary of the Navy's designee (DFAS-CL), if a member fails to make such election voluntarily within 1 year of the date of the court order or upon retirement. The former spouse must follow the procedures described in paragraph 7e to have the election deemed within 1 year of the date of the court order.

(3) If an unmarried member who elects former spouse coverage upon retirement later acquires a spouse and/or child(ren), the member's SBP election may be changed to cover the new spouse and/or child(ren) as described below. In the event coverage is changed to a new spouse and/or children, coverage of former spouse ceases.

(a) If the former spouse election was made to carry out the terms of a written agreement, a written agreement signed by the member and former spouse must be submitted with the election change.

(b) If the former spouse election was made in compliance with a court order, a court-certified copy of a subsequent court order which voids the requirement of the member to maintain former spouse coverage must be submitted with the election change. The election change must be made within 1 year of the date that the spouse and/or child(ren) are acquired.

(c) If the former spouse election was made voluntarily, there is no requirement to provide either a written agreement from the former spouse or a court order.

e. Special Coverage Provisions

(1) Application of the plan to a member whose name is on

the TDRL ceases when the member's name is removed from that list and the member is no longer entitled to retired pay. When a member is transferred from the TDRL to the PDRL, such transfer is not considered a change of status for the member, and the member's SBP election cannot be changed or revoked. However, if the member's retired pay is reduced to an amount which is less than the base amount originally selected under SBP, the full retired pay to which the member is thereafter entitled will be considered the base amount.

(2) If an active-duty member dies after becoming eligible for retired pay but before retiring, or while on active duty after retirement, the spouse shall receive an annuity in an amount equal to the difference between any Dependency and Indemnity Compensation (DIC) payable in the widow's or widower's behalf (exclusive of any amount attributable to child entitlement or paid for aide and attendance) and an annuity equal to 55 percent of what the member's retired pay would have been on the date of death. The grade for determining retired pay in the case of a member who dies on active duty prior to completing the required number of years in grade to retire at the grade held on the date of death will be that grade in which the member was serving on the date of death. The percentage multiple for calculation of retired pay shall be that applicable under the statute which qualified the member for retired pay.

(3) A member who is retired and continued on active duty, or retired and recalled to active duty, must complete SBP election prior to their initial retirement date. If there has been a break in service during which time the member was entitled to retired pay, the SBP election will be effected. Otherwise, for members who were retired and immediately retained on active duty, spouse only coverage will be automatically provided under subparagraph 5e(2). A retired member who is retained on active duty, or serves in a recalled status for a period exceeding 30 days, does not pay the cost of coverage under SBP for as long as he/she remains on active duty. Except as provided in subparagraph 7c, elections are irrevocable after entitlement to retired pay and are not voided by recall to active duty.

(4) Minimum Income Widow (MIW). Any person:

(a) who is the widow(er) of a person who was retired before 21 September 1972 and was entitled to retired pay on the date of death, or became a widow(er) of such a retiree before 21 March 1974 who is eligible for a nonservice-connected death pension from the VA;

(b) who is not eligible for any other SBP annuity; and

(c) whose total annual income (exclusive of pensions received from the VA as a nonservice-connected death pension) is less than \$5,488 is entitled to a modest annuity under the MIW provision. The MIW annuity payable will be such that when added to their other income as defined above, including any annuity received under RSFPP, will total \$5,488 per year. Their income must remain below \$5,488 per year, and they must remain unmarried to continue receiving this annuity. Remarriage by the widow(er) at any age following the death of the retiree bars entitlement to this annuity. If their income changes, the amount of MIW annuity will be adjusted to maintain the \$5,488 annual level. (See reference (c) part 9, chapter 9). If a widow(er) meets the eligibility criteria for a minimum income claim, the widow(er) should complete DD 1885 in full and forward it to DFAS-DE. If this form is completed and signed by a person other than an annuitant, it must be shown in which capacity that person signed.

NOTE: MIW annual income limits are adjusted periodically. Above rate became effective 1 December 1995.

6. Eligibility Requirements. The provisions of the SBP apply to:

a. Any person who initially becomes entitled to retired pay on or after 21 September 1972.

(1) If a member was a participant in RSFPP, the member had the option during the open enrollment season between 21 September 1972 and 20 March 1974 to continue such participation and/or to elect additional participation in SBP, provided the combined annuities did not exceed 100 percent of the member's retired pay on the effective date of the election. If such a member elected to participate in both plans, but election of the maximum base amount under SBP caused the total survivor benefit to exceed the 100 percent level, RSFPP coverage was reduced by the amount of the excess. Any other changes in RSFPP coverage were subject to existing procedures and limitations.

(2) Alternatively, a retiree who participated in the RSFPP may have elected to participate in SBP and cancel RSFPP participation as of the day before the effective date of the new election. A retiree who had no spouse or children, but was having RSFPP costs deducted from their retired pay (or was remitting them directly) because they did not choose to elect RSFPP option FOUR

with the election ONE, TWO, or THREE, may have dropped RSFPP and elected SBP by providing an annuity for a person with an insurable interest.

(3) A retiree who was not married or had no dependent children on 21 September 1973 could have elected to provide coverage for a spouse and/or dependent child(ren) when acquired, provided the retiree did so within 1 year of such acquisition; in such a case, the 21 March 1974 deadline does not apply.

b. Any member or former member of the Naval Reserve, qualifying for retired pay at age 60 in accordance with Title 10, U.S.C., section 1331-1337, who does not elect Option A under the Reserve Component Survivor Benefit Plan (RC-SBP), will be covered automatically at the maximum level unless they choose, prior to entitlement to retired pay, to elect optional coverage as described in subparagraphs 5b and 5d. Such a member will be notified concerning SBP and its provisions at the time he/she becomes eligible and applies for retired pay (completed 20 years of service but has not yet reached age 60).

7. Election Procedures and Regulation

a. An election not to participate in SBP or to participate at a reduced base amount, if not rescinded or changed prior to the first date of entitlement to retired pay, is irrevocable. Therefore, if coverage is declined for a spouse or children at the time of retirement, this decision is irrevocable and coverage for that spouse or child(ren), or any subsequent spouse or child(ren), cannot be obtained at a later point in time. Any decision not to participate or to participate at a reduced base amount should be reviewed very carefully by the member and their spouse.

b. A member who has no spouse and/or child(ren) on date of retirement, but who later acquires a spouse and/or child(ren), may elect to participate in the plan, provided they do so within 1 year of such acquisition. Similarly, a member who was entitled to retired pay on or before 21 September 1972 and who was not married or had no dependent child(ren) on 21 September 1973, may elect to provide coverage for a spouse and/or dependent child(ren) when acquired. Such an election must be submitted within 1 year of the date the spouse and/or dependent child(ren) is/are acquired; coverage under such an election becomes effective on the date the election is received at DFAS-CL in the case of a child and at the time of eligibility (1 year anniversary) for a spouse. The cost of coverage starts the first day of the month after the beneficiary becomes eligible.

c. If a member who was unmarried on the first day of entitlement to retired pay elected to provide coverage for a former spouse, the member may later change that coverage to provide an annuity for a spouse and/or child(ren). Such a change may be made only within 1 year of acquiring the spouse and/or child(ren) and is subject to the requirements described in subparagraph 5d.

d. If a member who was unmarried and did not have a former spouse on the first day of retirement later acquires a spouse, elects spouse coverage, and then becomes divorced, the member may, within 1 year of the date of divorce, dissolution, or annulment, either voluntarily or in compliance with a court order, change their election to former spouse coverage. The marriage must have lasted at least 1 year, or the former spouse must be the mother of a living child of the marriage.

e. If, incident to a proceeding of divorce, dissolution, or annulment, a member made a voluntary written agreement to elect SBP coverage for a former spouse and that agreement has been incorporated in, or ratified or approved by, a court order, and the member fails or refuses to make such an election within one year of the date of the court order or upon retirement, a former spouse election may be "deemed" (implemented), if the former spouse provides a written request to that effect to DFAS-CL.

(1) An election may not be deemed if the member is not eligible to make such election. The request from a former spouse must be made within 1 year of the date of the court order and must include a court-certified copy of the court order, regular on its face (as it appears on document), or a statement from the clerk of court or other appropriate official that such agreement has been filed that incorporates, ratifies, or approves a voluntary written agreement.

(2) A former spouse election may not be deemed if the member is not eligible to make such election, and the member will not be considered to have failed to make the election until eligibility to make the election expires. If the date of the court order is earlier than 1 year before a member's retirement date, the former spouse must still submit their request for a deemed election to DFAS-CL (Retired Pay Department, Code RO) within 1 year of its date. If, upon the member's retirement date, the member has not elected former spouse coverage, a former spouse election may be deemed, and any election which may have been made by the member will be null and void.

f. Except as provided, elections are irrevocable after the award of retired pay and are not voided by recall to active duty. **The following examples are exceptions in which elections may be either changed or revoked:**

(1) If a member who had no children on date of retirement elected to provide coverage for a spouse, the member may change that election to include coverage for a child or children acquired later, as specified in subparagraph 7b.

(2) If a member who was unmarried on date of retirement elected to provide coverage for dependent child(ren), the member may change that election to include coverage for a spouse if the member subsequently marries, as specified in subparagraph 7b.

(3) If a member elected to provide coverage for a person with an insurable interest, the member may change that election to provide coverage for a spouse and/or dependent child(ren) acquired later, as specified in subparagraph 5c. For example: If a member elects insurable interest for an only child prior to retirement and acquires a spouse after retirement, the election can be changed to reflect spouse or spouse and child.

(4) Upon notification by the member that the member no longer has an eligible dependent child, DFAS-CL shall terminate coverage for dependent child(ren), and the cost of children coverage shall cease effective the first day of the month following the month of receipt of the notification. Unless such notification is received, DFAS-CL shall continue deductions for child coverage until the youngest child's 22nd birthday.

(5) Elections made by the Secretary of the Navy on behalf of a member declared mentally incompetent may be changed or revoked by the member concerned within 180 days after such member has been subsequently determined to be mentally competent by appropriate authority. Further information on mental incompetency is found in paragraph 15.

(6) A retiree may discontinue participation in SBP if the member has been continuously rated totally disabled by the VA 10 years or more or has been so rated continuously for 5 years following the last discharge or release from military service.

g. Elections are Effective Upon:

(1) Date of retirement for members not yet retired.

(2) Date of postmark/receipt at DFAS-CL when submitted by members already retired.

(3) Date established by the Secretary of the Navy or his designee in the case of mentally incompetent members.

h. Elections shall be submitted on DD 2656. See enclosure (1) for an example of an election certificate.

i. All items on DD 2656 must be completed. If an item does not apply, either "none" or "N/A" shall be entered in the appropriate block. IF A REDUCED LEVEL OF COVERAGE IS DESIRED, NOTE THAT THE AMOUNT OF THE RETIRED PAY DESIRED TO BE DESIGNATED AS THE BASE AMOUNT SHOULD BE LISTED, NOT THE AMOUNT OF ANNUITY THAT IS DESIRED. Only one of the election types listed may be chosen.

j. The signature of a spouse in block 35 of DD 2656, indicating concurrence with a member's election to decline participation or to participate at a reduced level or with child only coverage, should be witnessed by the Navy counselor who provided SBP counseling to the member and the member's spouse. If it is not possible for the counselor to witness a spouse's signature on an election certificate, the spouse's signature should be witnessed by a commissioned officer. If it is not possible for either the member's command career counselor or a commissioned officer to witness the spouse's signature, the spouse must sign the certificate in the presence of a notary public and have the election certificate properly notarized.

NOTE: The member's and spouse's signature dates should be identical. If the DD 2656 is mailed to the spouse, the member completes the election form except for the spouse's signature and signature date. Both signatures must occur within a reasonable time period not to exceed 30 days.

k. The DD 2656 shall be completed and signed by the member, the member's spouse (if the member elects less than maximum coverage or child only coverage), and witnessed in accordance with paragraph 7j, dated and distributed as follows:

(1) Original - forwarded to DFAS-CL via the commanding officer of the activity processing the member's retirement prior to the member's date of retirement, but not later than 45 days prior to that date.

(2) Copies - one to the member's service record, one to the member, and one retained by command for 2 years.

l. If a member is physically disabled to the extent that the member cannot sign the election certificate, the member shall be assisted in marking "X" in the signature block, and the signatures of two witnesses shall follow it.

m. A member may change an original election prior to their date of retirement. To do so, a member must submit a new DD 2656 which should be annotated in red at the top of Section VII: "THIS ELECTION REVOKES PREVIOUS ELECTION." The new election will be accepted by DFAS-CL provided that it is received prior to the member's date of retirement.

n. A member cannot withdraw from the plan once participation is in effect unless the member is later determined to be totally disabled as specified in paragraph 7f(6). When a member who is participating in the plan to protect a spouse and/or child no longer has an eligible beneficiary, SBP premium deductions from the member's retired pay are suspended, but SBP participation is not terminated. Costs will resume if the member subsequently acquires an eligible beneficiary. Members should advise DFAS-CL of any change in marital/dependency status to preclude the accumulation of indebtedness for uncollected SBP premiums.

8. SBP Premiums

a. Spouse Only

(1) For members who entered a uniformed service on or after 1 March 1990, the monthly premium to provide an annuity to an eligible spouse is 6.5 percent of the base amount.

(2) For members who entered a uniformed service prior to 1 March 1990, the monthly premium to provide an annuity to an eligible spouse is either 6.5 percent of the base amount, or 2.5 percent of the first \$421 (see note) of the base amount plus 10 percent of the remaining base amount, whichever method results in a lower monthly cost. Premium deductions are suspended when there is no eligible spouse beneficiary, such as in the death of the spouse. See enclosure (2) for examples of monthly premiums for spouse-only coverage under both computation methods.

NOTE: The low-cost portion of a member's base amount is subject to the 2.5 percent cost factor increases at the same rate and at

the same time as cost-of-living adjustments to active duty pay. The \$421 amount became effective 1 December 1995.

b. Former Spouse Only. The monthly premium to provide an annuity to an eligible former spouse is identical to the premium for spouse coverage described in subparagraph 8a.

c. Spouse and Child(ren). The monthly premium to provide an annuity for an eligible spouse and dependent children is the same as described in subparagraph 8a, plus an actuarial charge based on the age of the youngest dependent child(ren). (See enclosure (3).)

(1) Ages to be used for calculating the actuarial charge will be the ages of the member, the member's spouse, and the youngest child on their birth dates nearest to the effective date of the member's election. Age 17 will be used when computing the cost factor and the actuarial charge for a dependent child over age 17 who is incapable of self-support.

(2) When all children cease to be eligible for an annuity, the member's premium shall be reduced by the child's portion. The reduced premium is effective the first day of the month following the month in which the last child ceases to be an eligible dependent as defined in subparagraph 4(1).

(3) If a member's spouse ceases to be an eligible beneficiary due to divorce or death of the spouse, the member's premium for child coverage will be recalculated as described in subparagraph 8e. If the member remarries and wants to remain in SBP, premiums for spouse coverage must resume and premiums for spouse and child coverage will be recomputed.

d. Former Spouse and Child(ren). The monthly premium to provide an annuity for an eligible former spouse and dependent child(ren) is the same as described in subparagraph 8c for spouse and children coverage (see enclosure (3)). Only children born of the marriage to the former spouse may be included in this type of coverage. Children acquired by a member subsequent to a former spouse election cannot be covered.

e. Children Only (no eligible spouse). The monthly premium for providing an annuity to eligible children but not to a spouse is actuarially determined (see enclosure (4)). Ages to be used for calculating a member's premium will be the ages of the member and the youngest child on their birth dates nearest to the date of the member's election. If the retiree should later marry and elect to cover their spouse, the member's premium shall be recalculated

under subparagraph 8b, effective as of the first day of the month following the first anniversary of the marriage. If the retiree does not later marry, premium deductions from the member's retired pay shall cease when the last child becomes an ineligible beneficiary (as specified in subparagraph 4(1)).

NOTE: A member's premium for child coverage under subparagraphs 8c and 8d will not be recalculated when a child different from the child initially established as the youngest child becomes the youngest child (for example, if the youngest child dies or if a younger child is subsequently acquired). However, if a member who is providing coverage for children only under subparagraph 8e subsequently marries after retirement and elects to provide coverage for their spouse, the member's premium for spouse and child coverage will be recalculated based on the ages of the member, the member's spouse, and the youngest child at the time coverage is changed to include the spouse.

f. Natural person with an insurable interest. The monthly premium to provide an annuity to a natural person with an insurable interest in the retiree shall be 10 percent of the member's full retired pay, plus an additional 5 percent of the member's full retired pay for each full 5 years that the named beneficiary is younger than the retiree. The total premium, however, may not exceed 40 percent of the member's retired pay.

g. SBP premiums become effective the first day of the month following the member's retirement/transfer date, except when the member retires on the first day of the month, in which case the premium becomes effective immediately. The Consumer Price Index (CPI) increases to retired pay shall be applied against a member's gross retired pay (before the SBP premium is deducted and shall likewise be applied to the SBP premium at the same percentage.

h. For any period during which a member has been awarded retired pay but is not entitled to that pay, the member must pay the cost of coverage under this plan to DFAS-CL by direct remittance. The only exceptions are as follow:

(1) When the member is retired and retained on active duty or has been recalled to active duty for a period exceeding 30 days, in which case the member enjoys free SBP coverage; or

(2) When a member waives retired pay for Civil Service retired pay, the member shall not be required to remit premiums as long as the waiver is in effect unless the member notifies the

Office of Personnel Management (OPM) that he or she does not desire his or her spouse to receive an annuity under Section 834(b) of Title 5, U.S.C. (the Civil Service survivorship plan). In the event of such notification, the member must continue to pay SBP premiums by direct remittance to DFAS-CL.

i. Except as provided in subparagraph 10d, refunds of SBP premiums deducted from members' retired pay are not authorized unless such amounts were paid through administrative error.

j. An annual interest charge of 6 percent compounded annually shall be charged for delinquencies in the payment of the cost of coverage. At the time of death of a retiree, any delinquency, plus interest, shall be collected from the annuitant's benefits prior to the payment of an annuity.

9. Amount of Annuity

a. Surviving Spouse or Former Spouse. The monthly annuity payable to the surviving spouse or former spouse upon a participant's death shall equal 55 percent of the member's base amount on the member's date of death.

(1) For surviving spouses or former spouses of members who retired on or after 1 October 1985, the annuity shall be reduced when the annuitant becomes age 62, from 55 percent of the retiree's base amount to 35 percent of the retiree's base amount, as adjusted by periodic cost-of-living increases. This reduction is made in recognition of the widow(er)'s entitlement to the Social Security survivor's benefit which is based upon the member's military earnings.

(2) For surviving spouses or former spouses of members who retired or were retirement-eligible before 1 October 1985, the 55 percent annuity shall be reduced when the annuitant becomes age 62, by the amount of the Social Security benefit to which the surviving spouse or former spouse becomes entitled which is attributable to the member's active duty earnings. This reduction, referred to as a "Social Security offset," cannot be more than 40 percent of the SBP annuity otherwise payable. Upon an annuitant's 62nd birthday, the DFAS-DE will calculate the annuity under both this method and the method described in subparagraph 9a(1) and pay the annuitant the larger amount.

(a) The Social Security offset is based solely upon the retiree's income while serving on active duty after 31 December 1956 (the date the military services began

participating in Social Security) and will be calculated using the same basic procedure used by the Social Security Administration, but will be based on an assumed earnings pattern. For the purpose of this calculation, the member is assumed to have begun receiving Social Security benefits at age 65. The offset to the SBP annuity may be reduced if the member had elected reduced Social Security benefits prior to age 65. The annuitant, in this case, would be required to obtain a statement from the Social Security Administration certifying that the member had elected reduced Social Security benefits and provide it to DFAS-DE.

(b) This offset will occur only if the surviving spouse or former spouse is entitled to the benefit based on the SBP participant's total lifetime Social Security-covered employment. The surviving spouse or former spouse shall be considered entitled to the benefit even if the surviving spouse or former spouse has not applied for the benefit but would be eligible for it had they applied. The offset is applied even if the surviving spouse or former spouse chooses to receive Social Security benefits based on their own or a third person's Social Security earnings.

(c) Any Social Security benefit to which the widow(er) or former spouse would be entitled based on the member's active service but which is not payable because of the surviving spouse's or former spouse's earnings after age 62 will not be included in this offset.

(3) A surviving spouse's annuity shall be reduced by any DIC payable on behalf of the spouse under subparagraphs 5e(2) and 10c.

b. Children. The annuity for children beneficiaries of SBP participants is calculated at 55 percent of the member's base amount and is not reduced by any Social Security benefits or DIC received. The annuity shall be divided equally among all eligible children.

c. Natural person with an insurable interest. An annuity for a natural person with an insurable interest or a former spouse shall be 55 percent of the retired pay of the retiree remaining after deduction of SBP costs from such retired pay. The member has no option concerning the amount of the annuity under this provision. There will be no offset for Social Security or DIC.

10. Payment of Annuity

a. Effective as of the day following the death of a retired

participant, a monthly annuity shall be paid to:

(1) The eligible surviving spouse or former spouse, provided such person was designated as a beneficiary.

(2) If there is no eligible surviving spouse or former spouse, or the eligible surviving spouse or former spouse is dead, dies, or otherwise becomes ineligible to receive the annuity, the eligible surviving dependent child or children in equal shares, provided annuity coverage was elected in their behalf.

(3) The natural person with an insurable interest in the deceased retiree who had been designated as a beneficiary by the retiree.

b. Annuities terminate on the first day of the month in which eligibility is lost. A surviving spouse or former spouse shall receive the annuity as long as they live, or until remarriage, if such remarriage occurs before the widow(er) reaches age 55. If the remarriage is terminated by death, annulment, or divorce, payment of the annuity will resume effective on the first day of the month of termination, provided the widow(er) is not entitled to an annuity under the SBP based upon the terminated marriage. In such case, the widow(er) may not receive both annuities under this plan but must notify DFAS-DE by signed letter which annuity is desired. In all cases, the widow(er) must notify DFAS-DE by signed letter when remarriage occurs or is terminated. Remarriage by a surviving spouse or former spouse after age 55 does not affect eligibility to continue receiving an SBP annuity.

c. Following the death of a retiree, if the surviving spouse is eligible for DIC in an amount greater than the surviving spouse's SBP annuity, there is no entitlement under this plan. If DIC is a lesser amount, the widow(er) may be paid an annuity equal to the difference between DIC and the SBP annuity for as long as DIC continues to be less than the SBP annuity. SBP annuities erroneously paid because of DIC payments will be deducted from DIC payments by the VA. Entitlement to an SBP annuity terminates when DIC exceeds the amount of the SBP annuity. However, if the surviving spouse becomes ineligible to receive DIC because of remarriage before age 55 or death, and the member's election included a child or children, the entire SBP annuity shall be paid to the children in equal shares. The spouse's DIC entitlement for this purpose shall not include any amount attributable to child entitlement or paid for aid and attendance.

d. If an annuity is not payable because of the provisions of subparagraph 10c, all premiums withheld from the retiree's pay shall be refunded to the widow(er). If an annuity is reduced due to a DIC entitlement, the DFAS-DE shall refund to the surviving spouse all premiums which had been deducted from the member's retired pay for an annuity in excess of the annuity actually received. A surviving spouse whose DIC benefits were terminated for any reason can have the SBP annuity reinstated to the full amount provided the surviving spouse repays (with interest) the amount of the refund previously received.

e. If upon the death of the retiree, there is a waiver of military retired pay in effect for the purpose of increasing civil service retired pay, an annuity under the SBP shall not be paid, unless the retiree notified the OPM that they did not desire any spouse surviving them to receive an annuity under Section 834(b) of Title 5, U.S.C., of at least the amount of coverage provided under the SBP.

f. The effective date of a Minimum Income Widow (MIW) annuity shall be the date the requirements outlined in subparagraph 5e(4) are met. Effective dates of changes in the amount of the annuity payable and termination of annuity will be in accordance with effective dates used by the VA to change or terminate the VA pension payable. As an MIW annuitant's income changes, the amount of annuity will be adjusted to maintain the \$5,488 annual level of income. DFAS-DE will issue an account statement showing the amount of annuity payable following the approval of an application. DFAS-DE will also issue a statement showing the amount payable whenever there is an adjustment in the amount of annuity.

g. Except as provided in paragraph 9, an annuity under SBP is in addition to any entitlement under any provision of law and shall be considered as income under laws administered by the VA. Annuities under SBP are not assignable nor subject to execution, levy, attachment, garnishment, or other legal process.

h. Documentation Requirements:

(1) The application for annuity, DD 1884, shall be completed in its entirety. If an item does not apply, "none" or "N/A" should be entered in the appropriate block. If this application is completed and signed by a person other than an annuitant, it must be shown in which capacity that person signed the application (example: "Legal Guardian"). If a Social Security Number (SSN) has not been assigned to an annuitant, that annuitant

should contact the local Social Security Administration office to apply for an identifying number. The application for annuity may be mailed to DFAS-DE prior to the assignment of a SSN.

(2) Birth dates, marriage dates, and/or dependent child status will normally be accepted as shown on the member's election and claimant's application. When there is conflicting information which would affect the payment of an annuity, documentation will be requested by DFAS-DE.

(3) An incapacitated child's continued eligibility will be revalidated on a case by case basis by DFAS-DE.

(4) Continued eligibility of an unremarried surviving spouse under age 55 will be revalidated annually.

11. Taxability of Premiums and Annuities. SBP premiums are collected by reducing the amount of retired pay a participant receives. Premiums, therefore, are not included as gross income for federal income tax purposes. Amounts payable to an SBP annuitant (including any refunds for cost of coverage as outlined in subparagraph 10d) are included in gross income for federal income tax purposes. The value of the survivor annuity shall not, in most cases, be included as part of the estate in the computation of federal estate tax. However, when premiums are paid by direct remittance to DFAS-CL and not by reductions in military retired pay, the value of the annuity shall be included as part of the estate of the deceased retiree and, accordingly, shall be subject to federal estate tax.

12. Cost of Living Adjustments (COLAs). SBP and SSBP premiums and annuities are increased by COLAs annually on 1 December. If an SBP annuity is reduced, or offset by Social Security or DIC entitlements, the COLA is applied to the full annuity before the offset, and the annuity is increased by that dollar amount. Any adjustment to Social Security or DIC levels results in a recalculation of the annuity payment. Normally, an increase in Social Security or DIC will not result in an increase in the total payment to the survivor.

13. Change in Dependency Status. Retirees are required to notify DFAS-CL immediately of all changes in the status of their family members. The forms to change SBP coverage, Survivor Benefit Plan Election Change (DD 1882), is available from DFAS-CL.

14. Waiver of Retired Pay for Annuities under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement

System (FERS). Retirees who waive military retired pay to apply their years of military service to CSRS or FERS retirement programs are not required to pay SBP premiums during the period such waiver is in effect unless survivor protection is declined under those programs. If a retiree dies during the period this waiver is in effect and did not decline protection under the CSRS or FERS survivor protection plans, no SBP annuity will be paid. SBP premiums paid prior to the waiver of retired pay will not be refunded. If a retiree who waives military retired pay declines survivor protection under CSRS or FERS survivor protection plans and elects to continue coverage under SBP, the retiree must remit SBP premiums directly to DFAS-CL. If such a member dies, an annuity is payable. If a member reverts to receiving Navy retired pay, SBP premiums will automatically resume.

15. Election of Mentally Incompetent Members. Members who are determined to be mentally incompetent by medical officers of the uniformed services or of the VA, or who are adjudged mentally incompetent by a court of competent jurisdiction and because of such incompetency are incapable of making an SBP election within the time limitations prescribed by law, may have their SBP elections made by the Secretary of the Navy (via the Bureau of Naval Personnel) on their behalf upon request of, or for the spouse, child(ren), guardian, trustee, etc., of such members. All such requests must state the type of coverage desired and must include either a copy of the court order or a signed statement by appropriate medical authority declaring the member mentally incompetent. If possible, the request should be made by completing DD 2656 as outlined in subparagraphs 7i and 7j. The request shall then be submitted to the Secretary of the Navy, via the commanding officer of the unit or military hospital and the Bureau of Naval Personnel (Pers-6), and must be postmarked prior to the member's date of retirement. Upon receipt of the election and proof of incompetency, the Secretary of the Navy will make the appropriate election under SBP on behalf of the incompetent member. If such a member is subsequently determined to be mentally competent by medical officers of the uniformed services or the VA or by a court of competent jurisdiction, the member may, within 180 days after such determination or judgment, change or revoke the election made on the member's behalf. The effective date of this change or revocation will be the date of the member's request for such change or revocation. SBP premiums previously deducted from the member's retired pay will not be refunded.

16. Administrative Error. The Secretary of the Navy may, under regulations prescribed under section 1454, U.S.C., Title 10, correct any election or any change or revocation of an election

under SBP when considered necessary to correct an administrative error. The Chief of Naval Personnel has been delegated the authority to adjudicate administrative errors on behalf of the Secretary of the Navy. If a service member feels that an administrative error has occurred in connection with his/her election, the member may submit a written request to DFAS-CL requesting that an administrative error be corrected. (Reserve members who are not yet in receipt of retired pay should submit requests to correct RC-SBP elections to NAVRESPERSCEN). The request should include any documentary evidence substantiating the alleged administrative error. Upon review, DFAS-CL or NAVRESPERSCEN will forward each request for administrative error correction to the Chief of Naval Personnel (Pers-6) for final action. Should it be determined that an administrative error did occur, the Chief of Naval Personnel will so advise DFAS-CL or NAVRESPERSCEN and authorize the appropriate correction to the member's retired pay account or service record, as applicable, including refunding payments or checks retroactive to the effective date of the original election, as necessary. Except when procured by fraud, a correction under this provision is final.

17. Recovery of Erroneous Annuity Payments. The Secretary of the Navy will use any means provided by law to recover amounts of annuities erroneously paid to any individual under either SBP or RSFPP. The Secretary may authorize such recovery by adjustment in subsequent payments to which the individual is entitled. There will be no recovery when, in the judgment of the Secretary of the Navy and the Comptroller General of the United States, the individual to whom the erroneous payment was made is without fault and recovery would be contrary to the purpose of the Plan or would be against equity and good conscience. Requests to suspend recovery should be forwarded to DFAS-DE. SBP annuities erroneously paid because of payment of DIC from the VA will be recovered through the VA by subsequent reduction in DIC payments.

18. Action

a. Commanding officers of all naval activities (both active and reserve) shall:

(1) Ensure that all members, both officers and enlisted personnel, receive SBP counseling and are provided a copy of NAVPERS 15617A (Stock Number 0500-LP-210-3600) "SBP for the Uniformed Services." In situations in which the retiring member and the member's spouse are geographically separated, a copy of this publication shall be mailed to the member's spouse no later

than 90 days prior to the member's date of retirement.

(2) Ensure that all members retiring or transferring to Fleet Reserve are afforded an opportunity to elect participation in SBP with coverage other than that which is provided automatically, and that the opportunity to make the election be provided not later than 45 days prior to the date of the member's retirement or transfer to the Fleet Reserve. (Reserve personnel must make an RC-SBP election within 90 days following receipt of notification of eligibility for retired pay (NOE) or an SBP election at the time the member makes application for retired pay.)

(3) If the member has a spouse, every effort should be made to counsel the member's spouse, with or without the member's expressed consent. Counseling of the member's spouse should be conducted by telephone, when possible, if the spouse is unable to be present for face-to-face counseling. If a language barrier between the counselor and a member's spouse prevents the spouse from being properly counseled, every practical means shall be expended to ensure the spouse is made fully aware of the ramifications of various options. If the counselor is not certain that the spouse understands the information provided, the counselor must not witness the member's election certificate, and the member will be automatically enrolled at the maximum level. (The member retains the option of requesting an administrative error correction from the Chief of Naval Personnel.)

(a) If a married member elects not to participate in SBP, or elects to participate at less than the maximum level, or elects coverage for children only, the member's spouse must concur in writing with the member's election by signing Section VIII of DD 2656. (For Reserve personnel, on the RC-SBP election certificate (NRPC 1772/3).)

(b) If a member's spouse's signature cannot be obtained, automatic coverage at the maximum level will be instituted on the member's date of retirement by DFAS-CL. Elections so instituted may be later corrected upon request by the member in accordance with paragraph 16. A properly completed and notarized affidavit providing spousal concurrence must accompany the member's request for an administrative error correction.

(c) A married member may make an election for less than maximum coverage without spousal concurrence if the member establishes to the satisfaction of the Secretary of the Navy that the spouse's whereabouts cannot be determined or that, due to

exceptional circumstances, seeking the spouse's consent would otherwise be inappropriate. Such exceptional circumstances will be evaluated by commanding officers on a case by case basis. The commanding officer's determination will be attached to member's DD 2656.

(4) Ensure that all SBP elections are endorsed and forwarded to DFAS-CL prior to each member's date of retirement, but not later than 45 days prior to that date. (See paragraph 7.)

(5) Provide DFAS-CL with timely and accurate dependency data at the time retirement orders are forwarded for each new retiree by accomplishing the following:

(a) Automatic maximum SBP coverage will be based on those dependents on Part II of the Dependency Application/Record of Emergency Data, NAVPERS 1070/602, in the member's service record. Ensure that the prospective retiree reviews this form to verify that it reflects current dependency status.

(b) The following statement shall be typed in the blank area below item 80 on the back of the member's Record of Emergency Data.

"I certify that I have been briefed on, and understand fully, the provisions and choices under the Survivor Benefit Plan, Public Law 92-425, as outlined in BUPERSINST 1750.11 and that I have (elected, declined) (full, reduced) coverage for (spouse, spouse and child(ren), children only, a former spouse, former spouse and child(ren), natural person). I further certify that my dependency status as stated herein is correct."

Signature of counselor/witness

Signature of member

Date

Upon completion of SBP counseling and verification of dependency status, ensure that both the counselor and member sign and date the above statement as annotated on the member's NAVPERS 1070/602 which shall be retained in his/her service record. A copy shall be forwarded to DFAS-CL together with a copy of the member's retirement/transfer orders. An additional copy shall be kept on file by the separating activity for a period of 2 years.

(6) Notify DFAS-CL by message or letter, in the event that a date of retirement is changed or canceled to void the SBP election or automatic participation.

(7) Notify in writing the spouse of a member who is married on the date of entitlement to retired pay and elects to cover a former spouse under subparagraph 5d. (The member's separating activity (or NAVRESPERSCEN for Reserve members) may also make this notification.)

b. Commanding officers of naval hospitals shall:

(1) As soon as it becomes evident that a member will be retired for physical disability by being placed on the TDRL or the PDRL, ensure that the member and the member's spouse are counseled concerning the options for SBP coverage. Such members' SBP election certificates are to be forwarded to the DFAS-CL as soon as possible.

(2) Ensure that the steps outlined in subparagraph 18a are accomplished.

(3) In the case of mentally incompetent members, follow the procedures outlined in paragraph 15.

c. If a member who is unmarried on the date of entitlement to retired pay elects to cover a former spouse under subparagraph 5d and subsequently changes their election under subparagraph 7c, member's former spouse will be notified of that action by DFAS-CL. (NAVRESPERSCEN will make the notification in the case of an election change under RC-SBP.)

d. If a married member changes their election from spouse or spouse and child to former spouse coverage in accordance with subparagraph 7d and is married, the present spouse will be notified of the election change by DFAS-CL. (NAVRESPERSCEN will make the notification in the case of an election change under RC-SBP.)

e. Notification letters referred to in paragraph 18 shall be in the form of a letter to the member's spouse delivered by CERTIFIED MAIL/RETURN RECEIPT REQUESTED. A copy of this letter and the return receipt shall be forwarded to and retained by the DFAS-CL for inclusion and indefinite retention in the member's retired pay record.

19. Forms and Publications

a. The following forms and publications may be obtained from the Naval Inventory Point using requisitioning procedures contained in CD ROM NAVSUP PUB-600(NLL), Navy Stock List of

BUPERSINST 1750.11

Publications and Forms:

(1) DD 2656 (JUN 93), Data for Payment of Retired Personnel, S/N 0102-LF-017-6500. (use until Oct 95 version is available.)

(2) NAVPERS 15630B, the "Survivor Benefit Plan Counselor's Guide" is used for counseling, S/N 0500-LP-210-4700

(3) NAVPERS 15617A, "SBP for the Uniformed Services," S/N 0500-LP-210-3600

b. (NRPC Form 1772/3 (Rev. 7-94), Reserve Component - Survivor Benefit Plan can be obtained from the Commanding Officer, Naval Reserve Personnel Center, (Code 4), New Orleans, LA 70149-7800.

LEE F. GUNN
REAR ADMIRAL, USN
Chief of Naval Personnel
Acting

Distribution:
SNDL Parts 1 and 2
BUPERS (Pers-622)(100 copies)

Order from:
Naval Inventory Control Point
Cog "I" Material
700 Robbins Avenue
Philadelphia, PA 19111-5098

Stocked: 150 copies

S/N: 0500-LD-003-3280

DATA FOR PAYMENT OF RETIRED PERSONNEL

PRIVACY ACT STATEMENT

AUTHORITY: 10 U.S. Code 1401; 10 U.S. Code 2771; 10 U.S. Code 1477; PL 92-425 (September 21, 1972, as amended) and EO 9397.

PRINCIPAL PURPOSE(S): To collect information needed to establish a retired/retainer pay account.

ROUTINE USE(S): Information may be provided to the Internal Revenue Service to resolve matters relating to an individual's claim for tax withholding; to the Department of Justice or to state and local governments when a question of conflicting interest is raised concerning an individual's declaration; and the Office of Personnel Management when the matter of verifying the individual's certification of not being employed by another government agency is required.

DISCLOSURE: Voluntary; however, failure to furnish requested information will result in delays in initiating pay and amounts not being properly computed.

INSTRUCTIONS

GENERAL.

1. Read these instructions carefully before completing the data form.

2. The Defense Finance and Accounting Service (DFAS) - Cleveland Center will establish your retired/retainer pay account based on the data provided on the form and your retirement/transfer orders. Your personnel office and disbursing/finance office will assist you in the

proper completion and submission of this form. You should maintain these instructions along with a copy of the form as a permanent record of pay data. Please complete the form by typing or printing in ink.

3. Ensure that you advise the DFAS - Cleveland Center of your marital status, correspondence and check address changes, at all times.

SECTION I - PAY IDENTIFICATION.

ITEMS 1 and 2. Self-explanatory.

ITEM 3. If you are retiring from active duty, enter the date you transfer to the Fleet Reserve or date of retirement. If you are a Reserve member qualified to retire under 10 U.S. Code, Chapter 1223, enter either the date of your 60th birthday or, a later date on which you applied to receive retired pay.

ITEMS 4 and 5. Self-explanatory.

ITEM 6. Enter the address and telephone number (include area code) where you can be contacted.

SECTION II - DIRECT DEPOSIT/ELECTRONIC FUND TRANSFER INFORMATION.

This section must be completed. Your net retired/retainer pay must be sent to your financial institution by direct deposit/electronic fund transfer (DD/EFT).

ITEMS 7 through 10. If you are directing your retired pay to the same account number and financial institution to which you directed your active duty pay, annotate Items 7 through 10 "SAME AS ACTIVE DUTY". If you have a copy of the Direct Deposit Authorization form used to establish your DD/EFT for your active duty pay, attach a copy to this form.

If you are not currently on DD/EFT, you must complete Items 7 through 10. Provide the nine digit Routing Transit Number (RTN) of your financial institution in Item 7. The RTN is the nine digit number located in the lower left-hand corner of either your checks or check deposit tickets. If you still are unable to obtain the RTN, you will have to contact your financial institution to which you want your retired/retainer pay directed and request the RTN. Also, indicate whether your account is (S) for Savings or (C) for Checking account in Item 8, your account number in Item 9, and your financial institution name and address in Item 10.

SECTION III - SEPARATION PAYMENT INFORMATION.

ITEM 11. Complete if you are retiring from active duty or a member/former member of the Reserve Components not on active duty retiring at age 60.

11.a. through 11.c. If you received any type of separation pay/ bonus, enter "RP" for Readjustment Pay, "SP" for Separation Pay, "VSI" for Voluntary Separation Pay, and "SSB" for Special Separation Bonus, and the total amount in the appropriate block.

SECTION IV - MEMBER OF THE RESERVE COMPONENT.

ITEM 12. Complete if you are a member/former member of a reserve component not on active duty retiring at age 60. If you have retired under any other provision of law and subsequently become employed by a Federal agency, it is your responsibility to notify DFAS - Cleveland Center immediately.

SECTION V - DESIGNATION OF BENEFICIARIES FOR UNPAID RETIRED PAY.

ITEMS 13.a and 13.b. Upon your death, any pay due and unpaid will be paid to the person(s) you may designate. If you elect 13.a., the amount due will be paid to the surviving person highest on the following list: (1) your spouse; (2) your children and their descendants, by representation; (3) your parents in equal parts, or if either is dead, the survivor; (4) the legal representative of your estate, and (5) person(s) entitled under the law of your domicile.

If you elect 13.b., you may designate the number of beneficiaries you desire, and the percentage of pay to be paid to each. The total percentage must not exceed 100%. If you designate more than one person, and the total percentage designated is greater than 100%, the person listed first is considered the primary beneficiary. Those persons on the list whose percentage exceeds the initial 100% designated will receive payment only if the primary beneficiary is deceased at the time of your death.

13.c. through 13.f. Enter the name, address, relationship, and share to be paid for each beneficiary you desire to designate. Use the Remarks section for additional space.

SECTION VI - FEDERAL INCOME TAX WITHHOLDING INFORMATION.

Complete this section after determining your allowed exemptions with the aid of your disbursing/finance office, or from the instructions available on IRS Form W-4, or other available IRS publications. Leave Items 14 through 16 blank if completing Item 17.

ITEM 14. Mark the status you desire to claim.

ITEM 15. Enter the number of exemptions claimed.

ITEM 16. Enter the dollar amount of additional Federal income tax you desire withheld from each month's pay. Leave blank if you do not desire additional withholding.

INSTRUCTIONS (Continued)

SECTION VI (Continued)

ITEM 17. Enter the word "EXEMPT" in this item only if you meet all the following criteria: (1) you had no Federal income tax liability in the prior year; (2) you anticipate no Federal income tax liability this year; and (3) you therefore desire no Federal income tax to be withheld from your retired/retainer pay.

NOTE: You must file a new exemption claim form with DFAS - Cleveland Center by February 15th of each year for which you claim exemption from withholding.

ITEM 18. If you are not a U.S. citizen, provide, on an additional sheet, a list of all periods of ACTIVE DUTY served in the continental U.S., Alaska, and Hawaii. Indicate periods of service by year and month only. List only service at shore activities; do not report service aboard a ship.

For example:

FROM (Year/Month)	DUTY STATION	TO (Year/Month)
94/02	NAVSTA, Norfolk, VA	95/01

NOTE: This information may affect the determination as to that portion of retired/retainer pay which is taxable in accordance with the Internal Revenue Code, if you will maintain your permanent residence outside the U.S., Alaska, or Hawaii.

SECTION VII - VOLUNTARY STATE TAX WITHHOLDING.

ITEM 19. Enter the name of the state for which you desire state tax withheld.

ITEM 20. Enter the dollar amount you want deducted from your monthly retired/retainer pay. This amount must not be less than \$10.00 and must be in whole dollars (Example: \$50.00, not \$50.25).

ITEM 21. Enter only if different from the address in Item 6.

SECTION VIII - DEPENDENCY INFORMATION.

This information is needed by DFAS to determine SBP costs, annuities and options, and to maintain your account in special circumstances at the time of death.

ITEM 22.a. Provide your spouse's name. If none, enter "N/A" and proceed to Item 25.

ITEMS 22.b. through 24. Provide the requested information about your spouse. In Item 24, if marriage occurred outside the United States, include city, province, and name of country.

ITEM 25. If you do not have dependent children, enter "N/A" in this item. If you do have dependent children, provide the requested information. Designate which children resulted from marriage to former spouse, if any, by indicating (FS) after the relationship in column d.

25.e. A disabled child is an **unmarried** child who meets one of the following conditions: a child who has become incapable of self support before the age of 18, or, a child who has become incapable of self support after the age of 18 but before age 22 while a full time student. Attach documentation if available.

SECTION IX - SURVIVOR BENEFIT PLAN (SBP) ELECTION.

It is very important that you are counseled and are fully aware of your options under SBP. The SBP election made before your retirement/transfer is **IRREVOCABLE** after your date of entitlement to retired/retainer pay. If you make no election, maximum coverage will be established for all eligible family members (spouse and/or children). It is highly advisable to complete this part in the presence of your SBP counselor.

For members qualified to retire under 10 U.S. Code, Chapter 1223, who elected Reserve Component Survivor Benefit Plan (RCSBP) after 20 qualifying years of service, a copy of your RCSBP election must accompany this form and do not complete Items 26 through 31. However, Reserve members who declined SBP until age 60 must complete Items 26 through 31. If you elected either Immediate or Deferred RCSBP coverage and the elected beneficiary is no longer eligible, annotate this in the Remarks section and provide supporting documentation with this form.

ITEM 26. Complete if you are retiring from active duty or if you are a reservist (retiring under 10 U.S. Code, Chapter 1223) who declined RCSBP. You may only select one item.

SECTION IX (Continued)

26.a. through 26.c. Mark the applicable item that indicates the beneficiaries you desire to cover under SBP.

ITEM 26.d. Mark if you are not married and desire coverage for a person with an insurable interest in you, and provide the requested information about that person in Item 28. An election of this type must be based on your full gross retired/retainer pay. If the person is a non-relative or as distantly related as a cousin, attach evidence that the person has a financial interest in the continuance of your life.

26.e. and 26.f. Mark Item 26.e. if you desire coverage for a former spouse. Mark Item 26.f. if you desire coverage for a former spouse and dependent child(ren) of that marriage, and provide the requested information about these children in Item 25 as appropriate. Provide a certified photocopy of final decree that includes separation agreement or property settlement which discusses SBP for former spouse coverage. The DD Form 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage," must also be completed and accompany the completed DD Form 2656 to DFAS - Cleveland Center.

26.g. Mark if you do not desire coverage under SBP. Items 30 and 31 of Section XI must be completed, if married.

ITEM 27.a. Mark if you desire the coverage to be based on your full gross retired/retainer pay without Supplemental SBP.

27.b. Mark if you desire the coverage to be based on a reduced portion of your retired/retainer pay. This reduced amount may not be less than \$300.00. If your gross retired/retainer pay is less than \$300.00, the full gross pay is automatically used as the base amount. Enter the desired amount in the space provided to the right of this item. Proceed to Section XI, if married.

27.c. Mark if you desire the coverage to be based on your full gross retired/retainer pay plus Supplemental SBP for spouse/former spouse. Mark the appropriate percentage of coverage. The benefits are paid to surviving spouse/former spouse who is age 62 or older.

ITEM 28. Enter the information for insurable interest beneficiary.

SECTION X - REMARKS.

ITEM 29. Reference each entry by item number. Continue on separate sheets of paper if more space is needed.

SECTION XI - SURVIVOR BENEFIT PLAN SPOUSE CONCURRENCE.

10 U.S. Code, Section 1448 requires that an otherwise eligible spouse concur if the member declines to elect SBP coverage, elects less than maximum coverage, or elects child only coverage. Therefore, if any of the following items or combination of items are marked, the spouse and a witness must complete Items 30 and 31: Items 26.a. and 27.b.; 26.b. and 27.b.; 26.c. or 26.g. A witness cannot be named beneficiary in Section V, VIII, or IX. Whenever possible, SBP Counselor or a Notary Public should be the witness. Spouse must present photo bearing identification to the witness prior to signature. Spouse's concurrence must be obtained and dated on or after the date of the member's election, but before the retirement/transfer date. If concurrence is not obtained when required, maximum coverage will be established for your spouse and child(ren) if appropriate.

SECTION XII - CERTIFICATION.

Read the statement carefully, then sign your name and indicate the date of signature. For your SBP election to be valid, you must sign and date the form prior to the effective date of your retirement/transfer. A witness cannot be named as beneficiary in Sections V, VIII, or IX. Also, there are certain restrictions that apply to retired pay during a period of Federal employment. Contact DFAS - Cleveland Center at 1-800-321-1080 for information on how these restrictions apply to your pay.

DATA FOR PAYMENT OF RETIRED PERSONNEL
(Please read Instructions before completing form.)

SECTION I - PAY IDENTIFICATION

1. NAME (LAST, First, Middle Initial)	2. SSN	3. RETIREMENT/TRANSFER DATE (YYMMDD)	4. RANK/PAY GRADE/BRANCH OF SERVICE	5. DATE OF BIRTH (YYMMDD)
6. CORRESPONDENCE ADDRESS (Ensure DFAS - Cleveland Center is advised whenever your correspondence address changes.)				
a. STREET (Include apartment number)	b. CITY	c. STATE	d. ZIP CODE	e. TELEPHONE (Incl. area code)

SECTION II - DIRECT DEPOSIT/ELECTRONIC FUND TRANSFER (DD/EFT) INFORMATION (See Instructions)

7. ROUTING NUMBER (See Instructions)	8. TYPE OF ACCOUNT (Savings (S) or Checking (C))	9. ACCOUNT NUMBER (See Instructions)		
10. FINANCIAL INSTITUTION				
a. NAME	b. STREET ADDRESS	c. CITY	d. STATE	e. ZIP CODE

SECTION III - SEPARATION PAYMENT INFORMATION

11. Complete if you are retiring or a member/former member of the Reserve Component not on active duty retiring at age 60.				
a. DID YOU RECEIVE READJUSTMENT PAY (RP), SEPARATION PAY (SP), VOLUNTARY SEPARATION INCENTIVE (VSI), OR SPECIAL SEPARATION BONUS (SSB)? (X one. If "Yes," attach a copy of the orders which authorized the payment, and a copy of the DD Form 214.)		b. TYPE OF PAYMENT	c. MONTHLY AMOUNT OF PAYMENT	
		YES		
		NO		

SECTION IV - MEMBER OF THE RESERVE COMPONENT

12. Complete only if a member or former member of the reserve component not on active duty retiring at age 60.				
a. DO YOU RECEIVE OR WERE YOU RECEIVING ON THE DATE OF RETIREMENT ANY VA COMPENSATION FOR DISABILITY OR SALARY FROM A FEDERAL AGENCY? (X one)		YES	b. EFFECTIVE DATE OF PAYMENT OR SALARY (YYMMDD)	
		NO		
c. FEDERAL AGENCY (1) NAME	(2) STREET ADDRESS		d. TYPE OF PAYMENT	
	(3) CITY	(4) STATE	(5) ZIP CODE	e. AMOUNT OF PAYMENT

SECTION V - DESIGNATION OF BENEFICIARIES FOR UNPAID RETIRED PAY

13. Mark (X) option a. or b. and complete as applicable. (Continue in Section X, "Remarks," if necessary.)				
a. LEGAL ORDER OF PRECEDENCE		b. BENEFICIARIES (List below)		
c. NAME (Last, First, Middle Initial)	d. ADDRESS (Street, City, State, ZIP Code)		e. RELATIONSHIP	f. SHARE
				%
				%
				%
				%

SECTION VI - FEDERAL INCOME TAX WITHHOLDING INFORMATION (Submit information in Items 14 - 17 in lieu of IRS Form W-4 for tax purposes.)

14. MARITAL STATUS (X one)		15. TOTAL NUMBER OF EXEMPTIONS CLAIMED	16. ADDITIONAL WITHHOLDING (Optional)	17. I CLAIM EXEMPTION FROM WITHHOLDING (Enter "EXEMPT")	18. ARE YOU A UNITED STATES CITIZEN? (X one)
SINGLE	MARRIED				YES
MARRIED BUT WITHHOLD AT HIGHER SINGLE RATE					NO (See Instructions)

SECTION VII - VOLUNTARY STATE TAX WITHHOLDING INFORMATION

19. STATE DESIGNATED TO RECEIVE TAX	20. REQUESTED MONTHLY AMOUNT (Not less than \$10.00) .00	21. RESIDENCE ADDRESS (If different from address listed in Item 6)		
		a. STREET (Include apartment number)	b. CITY	c. STATE d. ZIP CODE

SECTION VIII - DEPENDENCY INFORMATION (This section must be completed regardless of SBP Election.)

22. SPOUSE			23. DATE OF MARRIAGE (YYMMDD)	24. PLACE OF MARRIAGE (See Instructions)
a. NAME (Last, First, Middle Initial)	b. SSN	c. DATE OF BIRTH (YYMMDD)		
25. DEPENDENT CHILDREN (Indicate which child(ren) resulted from marriage to former spouse by entering (FS) after relationship in column d. Continue in Section X, "Remarks," if necessary.)				
a. NAME (Last, First, Middle Initial)	b. DATE OF BIRTH (YYMMDD)	c. SSN	d. RELATIONSHIP (Son, daughter, stepson, etc.)	e. DISABLED?

SECTION IX - SURVIVOR BENEFIT PLAN (SBP) ELECTION <i>(See your Survivor Benefit Plan counselor before making an election.)</i>									
26. BENEFICIARY CATEGORY(IES) <i>(X only one item) (THIS ELECTION IS IRREVOCABLE.)</i>									
a. I ELECT COVERAGE FOR SPOUSE ONLY.		I (X)		DO		DO NOT HAVE DEPENDENT CHILD(REN).			
b. I ELECT COVERAGE FOR SPOUSE AND CHILD(REN).									
c. I ELECT COVERAGE FOR CHILD(REN) ONLY.		I (X)		DO		DO NOT HAVE A SPOUSE.			
d. I ELECT COVERAGE FOR THE PERSON NAMED IN ITEM 28 WHO HAS AN INSURABLE INTEREST IN ME <i>(See Instructions).</i>									
e. I ELECT COVERAGE FOR MY FORMER SPOUSE <i>(See Instructions and complete DD 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage").</i>									
f. I ELECT COVERAGE FOR MY FORMER SPOUSE AND DEPENDENT CHILD(REN) OF THAT MARRIAGE <i>(See Instructions and complete DD 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage").</i>									
g. I ELECT NOT TO PARTICIPATE IN SBP.		I (X)		DO		DO NOT HAVE ELIGIBLE DEPENDENTS UNDER THE PLAN.			
27. LEVEL OF COVERAGE <i>(X one. Complete UNLESS 26.d. or 26.g. was selected above. See Instructions.)</i>									
a. I ELECT COVERAGE TO BE BASED ON FULL GROSS PAY WITHOUT SUPPLEMENTAL SBP.									
b. I ELECT COVERAGE WITH A REDUCED BASE AMOUNT OF \$ <i>(See Instructions).</i>									
c. I ELECT COVERAGE BASED ON FULL GROSS PAY PLUS SUPPLEMENTAL COVERAGE OF: <i>(X one)</i>									
<input type="checkbox"/> 5%		<input type="checkbox"/> 10%		<input type="checkbox"/> 15%		<input type="checkbox"/> 20%			
BY ELECTING SUPPLEMENTAL COVERAGE, I UNDERSTAND THAT I WAIVE MY BENEFICIARY'S RIGHT TO USE THE SOCIAL SECURITY OFFSET METHOD OF COMPUTING THE SURVIVOR BENEFIT PLAN ANNUITY AT AGE 62 AND OLDER <i>(See Instructions).</i>									
28. INSURABLE INTEREST BENEFICIARY									
a. NAME <i>(Last, First, Middle Initial)</i>				b. SSN		c. RELATIONSHIP		d. DATE OF BIRTH <i>(YYMMDD)</i>	
e. STREET ADDRESS <i>(Include apartment number)</i>					f. CITY			g. STATE	h. ZIP CODE
SECTION X - REMARKS									
29. Use this section to continue an item or make additional comments. Attach separate sheets if more space is needed.									
SECTION XI - SBP SPOUSE CONCURRENCE <i>(Required when member is married and elects child(ren) only coverage, does not elect full spouse coverage, or declines coverage.)</i>									
30. SPOUSE. I hereby concur with the Survivor Benefit Plan election made by my spouse and understand that this decision is IRREVOCABLE. I have received information that explains the options available and the effects of those options. I know that retired pay stops on the day the retiree dies. I have signed this statement of my free will.									
a. SIGNATURE								b. DATE SIGNED <i>(YYMMDD)</i>	
31.a. WITNESS NAME <i>(Last, First, Middle Initial)</i>				b. SIGNATURE				c. DATE SIGNED <i>(YYMMDD)</i>	
d. STREET ADDRESS <i>(Include apartment number)</i>					e. CITY			f. STATE	g. ZIP CODE
SECTION XII - CERTIFICATION									
32. MEMBER. Under penalties of perjury, I certify that the number of withholding exemptions claimed does not exceed the number to which I am entitled, and that all statements on this form are made with full knowledge of the penalties for making false statements <i>(18 U.S. Code 287 and 1001 provide for a penalty of not more than \$10,000 fine, or 5 years in prison, or both).</i> Also, I agree to notify DFAS - Cleveland Center when I become employed by a Federal agency. I will provide the effective date of employment, name and address, including ZIP Code of the employing agency, type of employment <i>(full time, part time, seasonal, etc.)</i> and the amount of my salary. <i>(A Standard Form 50 or Postal Form 50 should be provided.)</i>									
a. SIGNATURE								b. DATE SIGNED <i>(YYMMDD)</i>	
33.a. WITNESS NAME <i>(Last, First, Middle Initial)</i>				b. SIGNATURE				c. DATE SIGNED <i>(YYMMDD)</i>	
d. STREET ADDRESS <i>(Include apartment number)</i>					e. CITY			f. STATE	g. ZIP CODE

**Examples of Monthly Payments and Costs for Spouse/Former Spouse
(only) Coverage:**

<u>Retired Pay Base Amount</u>	<u>Monthly Payment For Spouse Only</u>	<u>Monthly Cost To Retiree</u>
100.00	55.00	2.50
200.00	110.00	5.00
300.00	165.00	7.50
350.00	192.50	8.75
400.00	220.00	10.00
450.00	247.50	14.18
500.00	275.00	19.18
550.00	302.50	24.18
600.00	330.00	29.18
650.00	357.50	34.18
700.00	385.00	39.18
750.00	412.50	44.18
800.00	440.00	49.18
850.00	467.50	54.18
900.00	495.00	58.50
950.00	522.50	61.75
1,000.00	550.00	65.00
1,100.00	605.00	71.50
1,200.00	660.00	78.00
1,300.00	715.00	84.50
1,400.00	770.00	91.00
1,500.00	825.00	97.50
1,600.00	880.00	104.00
1,700.00	935.00	110.50
1,800.00	990.00	117.00
1,900.00	1,045.00	123.50
2,000.00	1,100.00	130.00

Base amounts are not limited to the above specified amounts. Forexample, if a member elected his/her full gross retired pay of \$762 as the base amount, spouse only coverage would provide a monthly annuity of \$419 at the cost of \$45.38 per month.

Examples for spouse only coverage:

Base amount = \$762
Annuity = \$419 (.55 x \$762)

Total Monthly Cost = \$45.38
(2 1/2 % of first \$411 = \$10.53)
(10% of the remainder (\$341) \$34.10)
(Monthly Cost = \$44.63)

Enclosure (2)

Abbreviated Cost Table for Spouse (or Former Spouse) and Children Coverage

<u>Age of Member</u>	<u>Age of Spouse</u>	<u>Age of youngest child</u>		
		5	10	15
40	35	.00140	.00068	.00024
45	40	.00146	.00076	.00026
50	45	.00148	.00081	.00031
55	50	.00181	.00079	.00029
60	55	.00311	.00109	.00028

The cost for coverage is estimated by multiplying the appropriate cost factor above by the base amount. The cost factors above are based on a member and spouse with 5 years' difference in age. When the spouse is the same age as the member, the cost will be slightly higher; and when the spouse is older than the member, costs will be slightly lower. The actual computations of the cost by DFAS-CL can be expected to vary slightly from the cost factors in the above table.

EXAMPLE FOR SPOUSE AND CHILD(REN) COVERAGE

Base Amount = \$500
 Annuity = \$275
 Total Monthly Cost = \$19.52

COMPUTATION FOR TOTAL MONTHLY COST

Spouse cost = $2 \frac{1}{2}\% \times \$411 = \10.28
 $10\% \times \$89 = \8.90
\$19.18

Child(ren) cost = Cost factor X Base amount

Cost factor for child age 10, member age 40 and spouse age 35
 = .00068

Child(ren) cost = $.00068 \times \$500.00 = \$.34$

Total monthly cost - Spouse plus Child(ren) cost =
 $\$19.18 + \$.34 = \19.52

Enclosure (3)

BUPERSINST 1750.11

BUPERSINST 1750.11

Abbreviated Cost Table for Children (only) Coverage

<u>Age of member</u>	<u>Age of youngest child</u>			
	5	10	15	20
40	.0065	.0036	.0017	.0006
45	.0097	.0054	.0025	.0008
50	.0159	.0091	.0043	.0014
55	.0160	.0077	.0025	.0025
60	.0400	.0230	.0109	.0035

The cost for child(ren) coverage is estimated by multiplying the appropriate cost factor above by the base amount. Multiplication factors have been rounded off. Actual cost by DFAS-CL will be an actuarial charge based on the age of the member and the age of the youngest child. DFAS-CL computations can be expected to vary slightly from the cost factors in the above table.

EXAMPLE FOR CHILDREN (ONLY) COVERAGE

Base amount = \$500
Annuity = \$275 (.55 x \$500)
Total monthly cost = \$1.80

COMPUTATION FOR TOTAL MONTHLY COST

Child cost = Cost factor x Base amount
Cost factor for child age 10, member age 40 = .0036
Total monthly cost - .0036 x \$500 = \$1.80

Enclosure (4)